

## Cheltenham Borough Council

### Social & Community Overview and Scrutiny Committee:

9<sup>th</sup> June 2005

### Leisure@Cheltenham - Performance & 2004-5 Financial

### Outturn Report

### Report of the Assistant Director Health & Wellbeing

#### 1. Executive Summary and recommendation

1.1 My report provides an overview of the performance and provisional financial outturn for Leisure@cheltenham for the period 1<sup>st</sup> April 2004 – 31<sup>st</sup> March 2005.

1.2 I recommend that the report be noted.

#### 1.3 Summary of implications

1.3.1 **Financial** As detailed within Section 3.3 of the report

1.3.2 **Legal** None

1.3.3 **Human Resources** None

1.3.4 **Equal opportunities, social justice and anti-poverty** None

1.3.5 **Environmental** None

#### 1.4 Links to Business Plan and Corporate Objectives

1.4.1 The service directly supports the council's priorities of building strong healthy communities and enriching sport, play and cultural experiences.

#### 1.5 Statement on Risk (refer to Corporate Risk Register or Service Risk Assessment )

1.5.1 Financial viability and sustainability at Leisure @cheltenham is clearly identified within the corporate risk register. The risk register also considered the decision to increase the income target of this service by an additional £110k as part of the 2004/05 budget setting process, to be a high risk strategy, as the targets were set

O&S June 05 04-05 Outturn Leisure@

Final version

when the Centre was newly opened and local competition particularly strong.

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## **2. Background and introduction**

2.1 Members of the Overview and Scrutiny Committee have been provided with progress reports with regard to the performance of this service area since the transfer of the sport and leisure management contract back to the council in April 2003. As with previous reports, it provides performance and management information with regard to service standards, utilisation statistics, and, within Appendix 1, gives the provisional outturn position for the financial year.

## **3. Performance management information**

### **3.1 Service Standards**

3.1.1 During the past 12 months period leisure@ cheltenham has experienced a number of particularly demanding managerial and operational challenges which have been reflected within the customer comments and complaints received.

3.1.2 The total number of service failures reported during the 12 month period 1<sup>st</sup> April 04 – 31<sup>st</sup> March 05 was 72. Of these 47 were received within the period 1<sup>st</sup> April – 31<sup>st</sup> August 2004 which was reported to Committee in October 2004. During the remainder of the last financial year the number of complaints declined, with 25 recorded for the period 1<sup>st</sup> September 04 – 31<sup>st</sup> March 05.

3.1.3 Cleaning standards at leisure@cheltenham received the highest number of complaints during the past year with 31 being recorded. A significant number of these were recorded within the period 1<sup>st</sup> April – 31<sup>st</sup> August, again these were reported to Committee in October 2004.

3.1.4 Notwithstanding the review of cleaning schedules, the implementation of actions plans and the subsequent improvement in this area, sustaining a high level of cleaning throughout the site continues to be an operational challenge for the centre and one which is a particular focus of performance improvement.

### **3.2 Utilisation statistics**

3.2.1 Attendances at the Centre continued to climb steadily throughout the last financial year, with the number of customers using the site increasing to 615,198 as compared to 362,871 the previous year. Members are advised that the previous year utilisation statistic is reflective of the site being fully operational for five months of the year, and therefore it is difficult to draw any meaningful conclusion from this comparator.

3.2.2 However, positive conclusions can be drawn from comparisons made within the final quarter of the two previous financial years (i.e. 1<sup>st</sup> January – 31<sup>st</sup> March 03-4 / 04-5) whereby 168,634 visits were made in 04-05, as compared to 155,991 the previous year, an increase of 12,600 users during the same period.

3.2.3 Activities where attendances continued to rise throughout the year were casual swimming, the health & fitness suite and badminton.

### 3.3 Financial performance

- 3.3.1 Within Appendix 1 the provisional 2004/5 outturn budget shows a deficit of £8,081 to the revised budget forecast presented to Committee in February. This figure represents a less than a 1% overspend of the £2,089,000 operational budget. The key attributes to the increased deficit are as follows:
- 3.3.2 **Employee** : A slight overspend of £4, 583 is projected due mainly to the high turnover of staff at the centre and the subsequent reliance on agency staff and casual workers.
- 3.3.3 **Premises** : An overspend of £18,765 is projected due mainly to unexpected response and building maintenance work at the Prince of Wales Stadium, as well as an increase in utilities costs for the leisure centre within the final quarter.
- 3.3.4 **Income** : The 2004/5 income figure has exceeded the revised budget figure by £16, 789. This is due mainly to the continued growth of health and fitness memberships, with an over achievement of the target income level in this area by £18,632.
- 3.35 The steady growth in turnover throughout the year endorses the principle that the new Centre needed to be given time to establish itself in order to position itself within the health and fitness market. The income figures over recent months are encouraging as they provide clear evidence that business has stabilised and, more importantly is sustainable. Officers are confident that the projected income targets are achievable in future financial years, however accept that they will take longer to reach than originally predicted.

### 4. Service reviews/operational changes

- 4.1 During the past 12 months a number of service reviews were undertaken at leisure@cheltenham. The reviews resulted in the following operational changes being made on the site in order to ensure the service at leisure @Cheltenham provides value for money, are financially viable and improves the customer experience:
- 4.1.2 **Prince of Wales Stadium** - Transfer of weights room to the health & fitness suite at Leisure@cheltenham from 2<sup>nd</sup> January 2005
- Transfer of reception to leisure@ Cheltenham during off peak periods from 2<sup>nd</sup> January 2005.
- 4.1.3. **Pitches, pavilions & outdoor spaces** - Management of sports pitches and pavilions, Pittville Park boating lake, golf course and tennis courts transferred to the Green Environment Division from 1<sup>st</sup> April 2005.
- 4.1.4 **Central Cross Kiosk** - Management and operation of central cross drive kiosk transferred to the Green Environment Division from 1<sup>st</sup> April 2005.

#### 4.1.5 Pricing review -

In preparation for the 2005/6 pricing schedule a comprehensive analysis of the pricing structure and pricing levels was undertaken. This included a full fixed cost analysis of each activity against the current level of subsidy to the service. This also included benchmarking comparators against CIPFA (Leisure & Recreation) statistics, Cheltenham's health, fitness & leisure market i.e. local private sector and county-wide leisure facilities of neighbouring authorities

#### 4.1.7 Business Systems -

Implementation of new booking system which became effective from April 2005

### 5. Conclusion

- 5.1 Officers are acutely aware that Leisure@ cheltenham went through a particularly difficult period during the last financial year. Notwithstanding the recent multi-million pound redevelopment of the wetside facilities in 2003, the Centre's facility mix is extensive, resource-hungry and will continue to require ongoing investment and development at a time when the council has ever diminishing funds available. As such the council will need to be focused with regard to the provision of service at leisure@, if it is to provide leisure facilities that are of a high standard, effectively run and which can compete in this ever changing market.

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| <b>Background Papers</b> | Cabinet report 26 November 2002<br>Overview & scrutiny June 2002 – December 2004  |
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| <b>Accountability</b>    | Rowena Hay Deputy Health Wellbeing & the Economy  |
| <b>Scrutiny Function</b> | Overview & Scrutiny (Social and Community)  |